



Arnold Schwarzenegger
Governor

July 27, 2010
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Ms. Dorothy Chen, Administrator
Alameda County Workforce Investment Board
24100 Amador Street, 6th floor
Hayward, CA 94544-1203

Dear Ms. Chen:

WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Alameda County Workforce Investment Board's (ACWIB) Workforce Investment Act (WIA) grant financial management and procurement systems. This review was conducted by Mr. Jim Tremblay and Ms. Carol Hammond from June 8, 2009, through June 12, 2009. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, cost/resource sharing, fiscal monitoring of subrecipients, single audit and audit resolution policies and procedures for its subrecipients, and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by ACWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding financial management and procurement for PY 2008-09.

We collected the information for this report through interviews with representatives of ACWIB, a review of applicable policies and procedures, and a review of documentation retained by ACWIB for a sample of expenditures and procurements for PY 2008-09.

action plan(s) (CAP) to resolve the issues that led to the findings. As a result, these findings remain open and have been assigned Corrective Action Tracking System (CATS) numbers 90205 and 90206.

BACKGROUND

The ACWIB was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, ACWIB was allocated: \$1,481,688 to serve 283 adult participants; \$2,756,524 to serve 233 youth participants; and \$2,598,371 to serve 352 dislocated worker participants.

For the quarter ending March 31, 2009, the ACWIB reported the following expenditures and enrollments for its WIA programs: \$866,858 to serve 298 adult participants; \$1,262,032 to serve 210 youth participants; and \$1,367,362 to serve 497 dislocated worker participants.

FISCAL REVIEW RESULTS

While we concluded that, overall, ACWIB is meeting applicable WIA requirements concerning financial management; we noted an instance of noncompliance in the area of: expense payments. The finding that we identified in this area, our recommendation, and the State conclusion of the finding is specified below.

FINDING 1

Requirement: CFR 29, Part 97.20(a) which states, in part, that fiscal control and accounting procedures of subgrantees must be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violations of the restrictions and prohibitions of applicable statutes.

OMB A-87 Attachment A(C)(1)(j) states, in part, that for a cost to be allowable it must be adequately documented.

Observation: We found that ACWIB paid a subrecipient for services without adequate documentation. Specifically, ACWIB's subrecipient, Associated Community Action Program (ACAP), submitted an invoice for payment for youth services. However, the invoice did not contain documentation of the goods or services provided.

Recommendation: We recommended that ACWIB provide documentation to support the ACAP expense payment noted above. Additionally, we

recommended that ACWIB provide the CRO with a CAP to ensure that, in the future, all invoices are adequately documented prior to payment.

ACWIB Response: The ACWIB did not submit a response to this report.

State Conclusion: Since the ACWIB did not respond, we cannot resolve this issue at this time. We again recommend that ACWIB provide documentation to support the ACAP expense payment noted above. Additionally, we again recommend that ACWIB provide the CRO with a CAP to ensure that, in the future, all invoices are adequately documented prior to payment. Until then, this issue remains open and has been assigned CATS number 90205.

PROCUREMENT REVIEW RESULTS

While we concluded that, overall, ACWIB is meeting applicable WIA requirements concerning procurement; we noted an instance of noncompliance in the area of: Request for Proposal (RFP). The finding that we identified in this area, our recommendation, and the State conclusion of the finding is specified below.

FINDING 2

Requirement: 29 CFR 97.36 (e)(3)(i) states, in part, that requests for proposals will be publicized and identify all evaluation factors and their relative importance.

Observation: We reviewed three RFP's and found two of the three included all required WIA procedures, including a copy of publication in the area newspapers. However, the RFP for the Eden Area One-Stop Career Center Operator was missing the required published legal notice. Although ACWIB notified over 200 Community Based Organizations, ACWIB failed to advertise the RFP for the Eden Area One-Stop Career Center in any of the local newspapers.

Recommendation: We recommended that ACWIB provide CRO with a CAP stating how they will ensure that all RFPs will be publicized.

ACWIB Response: The ACWIB did not submit a response to this report.

State Conclusion: Since the ACWIB did not respond, we cannot resolve this issue at this time. We again recommend that ACWIB provide the CRO with a

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CAP stating how they will ensure that all RFPs will be publicized. Until then, this issue remains open and has been assigned CATS number 90206.

We provide you up to 20 working days after receipt of this report to submit to the Compliance Review Office your response to this report. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than August 24, 2010. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is ACWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain ACWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report, or the review that was conducted, please contact Ms. Jennifer Shane at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Jose Luis Marquez, MIC 50
Dathan O. Moore, MIC 50
Linda Palmquist, MIC 50
Daniel Patterson, MIC 45